

THE GREAT WEST SADDLERY COMPANY LIMITED

INFORMATION CIRCULAR

(as at January 10, 1969)

Solicitation of Proxies

The information in this circular and in the accompanying descriptive booklet is furnished in connection with the solicitation of proxies by the management of The Great West Saddlery Company Limited ("Great West Saddlery Company") to be used at the special general meeting of shareholders of the Great West Saddlery Company to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the "notice of meeting"). The total cost of the solicitation by management will be borne by Great West Saddlery Company.

Appointment and Revocation of Proxies

The persons named in the accompanying proxy instrument (the "proxy instrument") are directors of Great West Saddlery Company. **Each shareholder has the right to appoint a person to represent him at the special general meeting of shareholders other than the persons specified in the proxy instrument. This right may be exercised by striking out the names of the persons specified in the proxy instrument and by inserting in the space provided within the brackets the name of the person to be appointed, who need not be a shareholder of Great West Saddlery Company. Alternatively, each shareholder wishing to appoint a person to represent him at the special general meeting of shareholders other than the persons specified in the proxy instrument may do so by completing and submitting any proxy instrument in proper form.**

Any shareholder completing and submitting the proxy instrument or any proxy instrument in proper form has the power to revoke it at any time, insofar as it has not been exercised, by completing and submitting to the Secretary of the Great West Saddlery Company in the prescribed manner another proxy instrument bearing a later date or a written notice of revocation.

Exercise of Discretion by Proxies

The proxy instrument confers discretionary authority upon the persons named therein with respect to amendments or variations of matters which may properly come before the meeting. The proxy instrument affords shareholders the opportunity to specify that the shares registered in their respective names shall be voted by the named proxies in favour of or against (a) approving and adopting the amalgamation agreement entered into the 10th day of January, 1969 between Great West Saddlery Company and Hashman Properties Limited ("Hashman Properties") and (b) sanctioning By-law C of Great West Saddlery Company decreasing the paid-up capital of Great West Saddlery Company by the amount of \$4,767,448 and authorizing an application for supplementary letters patent confirming such decrease. Where shareholders have not specified in the proxy instruments the manner in which the proxies are required to vote for or against, as the case may be, the matters referred to in (a) and (b) above, the shares represented by such proxy instruments will be voted in favour of such matters. The shares represented by the proxy instruments will be voted at the meeting, and if choices are specified by the shareholders submitting the same, in accordance with such specifications.

The management knows of no matters to come before the meeting other than matters referred to in the accompanying notice of meeting. However, if any other matters which are not now known to management should properly come before the meeting the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Proposed Amalgamation

The special general meeting of shareholders has been called for the purpose of considering and, if thought fit, approving and adopting the amalgamation agreement entered into the 10th day of January, 1969 between Great West Saddlery Company and Hashman Properties providing for the amalgamation of

such companies under the provisions of Section 128A of the Canada Corporations Act. The amalgamation agreement is included at the back of this information circular as Exhibit "A", to which reference is made for the full terms and conditions of the proposed amalgamation.

The legal effect of the proposed amalgamation will be to merge the amalgamating companies into one continuing corporation with the name The Great West Saddlery Limited ("GWS"). The result of the amalgamation will be to fuse the assets and liabilities of the amalgamating companies.

The directors and shareholders of Hashman Properties have approved and adopted the amalgamation agreement and the directors of Great West Saddlery Company have approved the amalgamation agreement. The amalgamation will assist GWS in carrying out its corporate objective which is to augment the asset base and cash flow resulting from the proposed amalgamation by making further investments in major urban real estate and in established companies with proven earnings, thereby providing a sound foundation for GWS to continue the investment and acquisition programme initiated by Great West Saddlery Company in May, 1968 when control was acquired by Edper Investments Ltd. ("Edper").

The investment and acquisition programme initiated by Great West Saddlery Company consists of acquiring interests in technological industries possessing ultimate potential for high growth and earnings, normally accompanied by an element of risk and low earnings in the early years. Pursuant to this programme, Great West Saddlery Company has made investments resulting in the creation of the Computer Division and the Space Research Division which are fully described in the accompanying descriptive booklet. The amalgamation will result in the creation of a further division to be known as the Urban Development Division, which, with the other Divisions, will provide GWS with a net worth exceeding \$25 million and an annual cash flow from consolidated operations in excess of \$1.5 million. GWS will continue to seek investment opportunities in Canada, but it is expected that there will be a growing emphasis on foreign investment, particularly in the vast technological markets of the United States.

The amalgamation was originally proposed in June, 1968 by Great West Saddlery Company, Mr. Sam Hashman ("Hashman") and Edper, and its principal terms were set out in a letter of intent (the "letter of intent") dated August 6, 1968. Under the letter of intent Hashman caused Hashman Properties to be incorporated as a Canada corporation and to enter into agreement (the "Hashman investments agreement") with him and other persons providing for the exchange of 1,475,785 shares of Hashman Properties for certain investments (collectively the "Hashman investments") consisting of shares of and loans to Sam Hashman & Co. Ltd., Sam Hashman Management Ltd., Hashman Construction Co. Ltd. and MacLeod Mall Shopping Centre Ltd. (collectively the "Hashman Companies"). In addition, and also under the letter of intent, Hashman Properties has entered into an agreement (the "Edper investments agreement") with Edper and other persons providing for the exchange of a further 1,991,840 shares of Hashman Properties for certain investments (collectively the "Edper investments") consisting of shares of and loans to A-W, 3 Inc., S-J. Acres, Inc., Progress Parking Corp., Normandie Shopping Centre Ltd., Mount Stephen Sherbrooke Holdings Corp., Kingston Terminal Properties Limited, Fremor Investments Ltd., Empress Holdings Limited, Elmwood Realities, Inc., Edper (Edmonton) Ltd., Edper (B.C.) Ltd., Edper (Alberta) Ltd., Eagle Parking Ltd., Dunleary Investments Limited and Spring Garden Realities Limited (collectively the "Edper companies"). At the time of the proposed amalgamation, the only businesses, assets and liabilities of Hashman Properties will be the businesses, assets and liabilities represented by the Hashman companies and the Edper companies.

Both the Hashman investments agreement and the Edper investments agreement are subject to the shareholders of Great West Saddlery Company approving and adopting the amalgamation agreement, and are not to be completed until immediately before the amalgamation.

The letter of intent valued the Hashman investments at \$9,000,000 (exclusive of \$500,000 of shareholders' loans to be retained by Hashman) or approximately \$6.10 per Hashman Properties share and the Edper investments at \$14,000,000 or approximately \$7.03 per Hashman Properties share, but stipulated that these values were subject to confirmation by independent auditors who, in making their examinations, were to accept appraisals of the underlying real estate properties by independent real estate appraisers. Accordingly, Great West Saddlery Company, Hashman and Edper appointed Touche, Ross, Bailey &

Smart ("Touche Ross") as independent auditors and North & Leonard Inc., Montreal, and Howard P. Hamilton Appraisal Co. Ltd., Calgary, as independent real estate appraisers. These parties have now completed their examinations and reports, and as a result Great West Saddlery Company, Hashman and Edper have in hand an appraisal (the "Hamilton appraisal") dated September 16, 1968 covering the real estate properties included in the Hashman investments, an appraisal (the "North appraisal") dated September 17, 1968 covering the real estate properties included in the Edper investments, and the financial statements included in the accompanying descriptive booklet. These appraisals and financial statements, including particularly the pro forma consolidated balance sheet of Hashman Properties on page 29 and note 11 to the financial statements on page 33 of the accompanying descriptive booklet, establish that as at October 31, 1968 the value of the Hashman investments was \$9,561,534 and of the Edper investments was \$14,880,400. Using these figures, shares of Hashman Properties will be issued for the Hashman investments at \$6.48 per share and for the Edper investments at \$7.47 per share.

The purchase values to Hashman Properties of the real estate properties held by the Hashman companies and the Edper companies are set out in note 11 to the financial statements on page 33 of the accompanying descriptive booklet. The original or finished cost of the real estate properties held by the Hashman companies is \$13,305,529 and by the Edper companies is \$20,558,556.

The proposed amalgamation will result in the shareholders of Great West Saddlery Company receiving one share of GWS for each share of Great West Saddlery Company held by them, and the shareholders of Hashman Properties receiving one share of GWS for each share of Hashman Properties held by them.

In accepting such issue prices and rates of exchange, the directors of Great West Saddlery Company considered that (a) the outstanding shares of Great West Saddlery Company had a book value of \$1.70 per share, which would be increased to \$4.75 per share after giving effect to the proposed amalgamation and (b) the values represented by the Hashman investments and the Edper investments would transform Great West Saddlery Company into a major corporate entity with a net worth exceeding \$25 million and an annual cash flow from consolidated operations in excess of \$1.5 million, permitting GWS to make further investments when outstanding opportunities became available. Taking these factors into account, the directors of Great West Saddlery Company feel that the issue prices and rates of exchange in question are fair and that the proposed amalgamation is in the interests of Great West Saddlery Company and all its shareholders.

The shares of Great West Saddlery Company are listed on The Toronto Stock Exchange. At the request of Great West Saddlery Company trading in the shares of Great West Saddlery Company was suspended by The Toronto Stock Exchange and by the Ontario and Quebec Securities Commissions from July 8 to September 10, 1968 pending certain announcements to be made by Great West Saddlery Company, including an announcement in respect of the proposed amalgamation. During the one month preceding the requested suspension, the shares of Great West Saddlery Company traded in the range \$3 $\frac{1}{2}$ to \$14 $\frac{5}{8}$. During the first week after the requested suspension was lifted, the shares traded in the range \$13 $\frac{7}{8}$ to \$19 $\frac{1}{2}$.

By-Law C

The special general meeting of shareholders has been called for the further purpose of considering, and if thought fit, sanctioning By-law C of Great West Saddlery Company decreasing the paid-up capital of Great West Saddlery Company by the amount of \$4,767,448 and authorizing an application for supplementary letters patent confirming the decrease. A copy of By-law C is included at the back of this information circular as Exhibit "B". The directors have decided that the decrease in its paid up capital is in the best interests of GWS because it will permit the elimination from its accounts of the accumulated deficit of Great West Saddlery Company in the amount of \$1,839,372 (including \$200,000 for the expenses of the amalgamation) and of the excess cost of acquiring Aquila Computer Services Limited over the value of its net assets in the amount of \$2,928,076.

These amounts presently carried in the balance sheet of Great West Saddlery Company have come into existence during past periods, and in the opinion of the directors of Great West Saddlery Company should not be carried forward into the balance sheet of GWS, which for all practical purposes is a new

corporate entity. It is emphasized that the decrease in the paid-up capital of Great West Saddlery Company does not involve any payment of cash and does not reflect in any way on the present position of Great West Saddlery Company.

Voting Shares and Principal Holders Thereof

The authorized capital of Great West Saddlery Company consists of 4,000,000 shares without nominal or par value of which 2,548,451 shares are issued and outstanding as fully paid and non-assessable. Holders of outstanding shares of record at the time of the special general meeting of shareholders will be entitled to one vote per share at such meeting. To the knowledge of the management of Great West Saddlery Company, Edward M. and Peter F. Bronfman, Edper, Everest Investments Ltd. and Range Investments Ltd. are the only persons who beneficially own, directly or indirectly, more than 10% of the outstanding shares of Great West Saddlery Company. Their exact shareholdings in Great West Saddlery Company are set out below.

Interlocking Interests of Directors and Officers

The interests of directors, officers and certain of the shareholders of Great West Saddlery Company, Hashman Properties, Edper and GWS in one or more of such companies are as follows:

Name	Offices Held				Shares held		
	Great West Saddlery Company	Hashman Properties	Edper	Company	Great West Saddlery Company	Hashman Properties	Company
NEIL W. BAKER, 452 Hudson Street, Montreal West, Quebec.	Director and Chairman of the Board	—	Executive Vice-President	Director, Chairman of the Board and President	30,000	—	30,000
PAUL J. LOWENSTEIN, 4862 Jean Brillant Ave., Montreal, Quebec.	Director and Treasurer	—	Vice-President & Treasurer	Director and Treasurer	26,000	—	26,000
J. TREVOR EYTON, 30 Ridge Drive, Toronto, Ontario.	Director and Secretary	—	—	Director and Secretary	2,000	—	2,000
EDWARD S. MACLAINE, 123 Highgate Ave., Pointe Claire, Quebec.	—	—	—	Director	120,000	—	120,000
EDWARD M. BRONFMAN, 67 Forden Cres., Westmount, Quebec.	—	—	Director and Chairman of the Board	Director	75,000	114,355	189,355
PETER F. BRONFMAN, 5 Lansdowne Ridge, Westmount, Quebec.	—	—	Director and President	Director	75,000	114,355	189,355
LEONARD B. SPILFOGEL, 5765 Cote St. Luc Rd., Hampstead, Quebec.	Director	—	Investment Manager	Director	15,000	—	15,000
EDMUND SARDACHUK, 2928 University Place, Calgary, Alberta.	—	Director and Vice-President	—	Director and Vice-President—Construction (Urban Development)	—	17,558	17,558

Name	Offices Held				Shares held		
	Great West Saddlery Company	Hashman Properties	Edper	Company	Great West Saddlery Company	Hashman Properties	Company
ANDRÉ R. BRUNEAU, 2409 Carleton St., S.W., Calgary, Alberta.	—	—	Vice-President (Real Estate)	Director and Vice-President— Investments (Urban Developments)	—	24,115	24,115
GEORGE E. DUSKA, 32 Constable Road, N.W., Calgary, Alberta.	—	Comptroller	—	Director and Comptroller (Urban Development)	—	8,779	8,779
R. GERALD NICHOLL 32 Waterloo Dr., S.W., Calgary, Alberta.	—	—	—	Director	—	—	—
SAM HASHMAN, 1100 Baldwin Ave., Calgary, Alberta.	—	Director and President	—	Vice-President (Urban Development)	—	1,227,661	1,227,661
EDWARD C. ELFORD, 215 Willow Ridge Place, Calgary, Alberta.	—	Director and Secretary- Treasurer	—	Secretary- Treasurer (Urban Development)	—	8,779	8,779
T. ALLAN GRAY, 4 Walnut Drive, Calgary, Alberta.	—	General Superintendent	—	General Superintendent (Urban Development)	—	17,558	17,558
EDPER INVESTMENTS LTD., Suite 400, 2055 Peel Street, Montreal, Quebec.	—	—	—	—	824,666	1,504,016	2,328,682
EVEREST INVESTMENTS LTD., Suite 400, 2055 Peel Street, Montreal, Quebec.	—	—	—	—	—	49,459	49,459
RANGE INVESTMENTS LTD., Suite 400, 2055 Peel Street, Montreal, Quebec.	—	—	—	—	—	82,642	82,642

The numbers of shares indicated under the Hashman column are after giving effect to the issue of Hashman Properties shares for the Hashman investments and the Edper investments and under the Company column are after giving effect to the issue of Hashman Properties shares as aforesaid and to the amalgamation. Edper Investments is wholly owned by trusts established by Allan Bronfman, Montreal, for his children and grandchildren, including Edward M. and Peter F. Bronfman and their children. Everest Investments Ltd. and Range Investments Ltd. are owned by Edward M. and Peter F. Bronfman personally.

The aggregate remuneration paid or payable by Great West Saddlery Company and its subsidiaries to its directors and senior officers during the year ended October 31, 1968 was \$36,800 paid to three persons.

Except as shown in this information circular and in the accompanying descriptive booklet, the directors or senior officers of Great West Saddlery Company and the proposed directors and senior officers of GWS do not have any material interest, direct or indirect, in any completed or proposed transaction which has or will materially affect Great West Saddlery Company or GWS or any of their subsidiaries.

Toronto Stock Exchange Listing

Great West Saddlery Company has been advised by the Toronto Stock Exchange that the listing of the shares of GWS on the Exchange will continue, subject to the amalgamation agreement being approved and adopted by the shareholders of Great West Saddlery Company and the issuance of letters patent of amalgamation.

Tax Effect of Amalgamation

In the opinion of counsel, the proposed amalgamation will not result in any liability for income tax to shareholders of Great West Saddlery Company.

Exchange of Share Certificates

If the amalgamation agreement is approved and adopted by the shareholders of Great West Saddlery Company and letters patent of amalgamation are subsequently issued, shareholders will be notified with respect to the surrender of certificates for outstanding shares of Great West Saddlery Company for cancellation and as to the means of receiving the certificates for shares of GWS to which they are entitled.

Required Action by Shareholders

In order to proceed with the proposed amalgamation, it is necessary that the amalgamation agreement be approved and adopted by at least three-fourths of the votes cast at the special general meeting of shareholders and that By-law C be sanctioned by at least two-thirds of the votes cast at the special general meeting of shareholders.

EXHIBIT "A"

This amalgamation agreement entered into the 10th day of January, 1969.

BETWEEN:

THE GREAT WEST SADDLERY COMPANY LIMITED
(hereinafter called "Great West Saddlery Company"),

OF THE FIRST PART,

—and—

HASHMAN PROPERTIES LIMITED
(hereinafter called "Hashman Properties"),

OF THE SECOND PART.

WHEREAS Great West Saddlery Company was incorporated under Part I of The Companies Act, R.S.C., 1927, C.27, by letters patent dated February 24, 1928 and supplementary letters patent were issued to Great West Saddlery Company dated respectively July 22, 1927, May 4, 1959 and June 17, 1968; and

WHEREAS Hashman Properties was incorporated under the Canada Corporations Act by letters patent dated December 5, 1968; and

WHEREAS Great West Saddlery Company and Hashman Properties, acting under the authority contained in the Canada Corporations Act, have agreed to amalgamate on the terms and conditions hereinafter set out; and

WHEREAS Great West Saddlery Company and Hashman Properties have each made full disclosure to the other of all of their respective assets and liabilities as at October 31, 1968; and

WHEREAS it is desirable that the said amalgamation should be effected;

NOW THEREFORE, the parties hereto have agreed as follows:

1. In this amalgamation agreement the expression "amalgamated company" means the company continuing from the amalgamation of Great West Saddlery Company and Hashman Properties.
2. Great West Saddlery Company and Hashman Properties do hereby agree to amalgamate under the provisions of Section 128A of the Canada Corporations Act and continue as one company under the terms and conditions hereinafter set out.
3. The name of the amalgamated company shall be The Great West Saddlery Limited.
4. The objects of the amalgamated company shall be as follows:
 - (a) to carry on business as investors and financiers and to undertake and carry on and execute financial, commercial trading and other operations which may seem to be capable of being conveniently carried on in connection with any of these objects or calculated, directly or indirectly, to enhance the value of or facilitate the realization of or render profitable any of the amalgamated company's property or rights;
 - (b) to obtain capital, credit or other assistance for establishing, extending or reorganizing any enterprise or industry carried on or intended to be carried on by any person, firm, corporation or company;

- (c) to act as agents or attorneys for the transaction of any business, sale of property, investment of funds and the collection of moneys, rents, interest, dividends, mortgages, bonds, bills, notes and other securities;
- (d) to purchase, acquire, underwrite, hold, pledge, hypothecate, exchange or sell alone or in syndicates or otherwise in conjunction with others, shares, stocks, bonds, debentures and other securities and other evidences of indebtedness and obligations issued or guaranteed by any corporation, company, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, and evidences of any interest in respect of any such shares, stocks, bonds, debentures and other evidences of indebtedness and obligations, and to invest and lend money at interest on the security of personal property or without security;
- (e) to purchase or otherwise acquire and undertake all or any of the assets, business, property, goodwill, franchises, privileges, contracts, rights, obligations and liabilities of any company, firm, society, partnership or person carrying on any business which the amalgamated company is authorized to carry on or possessed of property suitable for the purposes of the amalgamated company or of any company in which the amalgamated company holds shares, bonds, debentures or other securities or other evidences of indebtedness and obligations and to pay for the same in cash or in shares or securities of the amalgamated company or partly in cash and partly in shares or securities of the amalgamated company or any other consideration, and to carry on the business of any such company, firm, society, partnership or person whose assets are so acquired;
- (f) to purchase or otherwise acquire and hold or otherwise deal in real and personal property and rights, and, in particular, lands, buildings, business or industrial concerns or undertakings, mortgages, charges, contracts, concessions, franchises, patents, licenses, securities, policies, book debts and any interest in real or personal property or claims against such property or against any person or company, and privileges or choses in action of any kind;
- (g) to carry on the business of general contractors, both public and private, in all its branches either as principal or agent and in this behalf to contract to construct and to construct buildings, works and projects of every kind, class and description.

5. The authorized capital of the amalgamated company shall be 20,000,000 shares without nominal or par value, provided that such shares shall not be issued for a consideration exceeding in amount or value the sum of \$50,000,000 or such greater amount as the board of directors of the amalgamated company deems expedient and as may be authorized by the Minister of Consumer and Corporate Affairs of Canada on payment of the requisite fees applicable to such greater amount.

6. The authorized and issued capital of Great West Saddlery Company and Hashman Properties shall be converted into the authorized and issued capital of the amalgamated company as follows:

- (a) The 2,548,451 shares without nominal or par value of Great West Saddlery Company issued and to be outstanding at the effective time of the amalgamation;
- (b) The 200,000 shares without nominal or par value of Great West Saddlery Company to be issued on account of the proposed acquisition of Berthiaume, St. Pierre, Thériault & Associés, Inc., if in fact they are issued and outstanding at the effective time of the amalgamation;
- (c) The 210,000 shares without nominal or par value of Great West Saddlery Company to be issued on account of the proposed acquisition of certain properties and assets from Giltaur Corporation Ltd., if in fact they are issued and outstanding at the effective time of the amalgamation;
- (d) The number of shares without nominal or par value of Great West Saddlery Company which may be issued under the Stock Option Plan of Great West Saddlery Company established on December 23, 1968, if in fact any such shares are issued and outstanding at the effective time of the amalgamation; and
- (e) The 3,467,625 shares without nominal or par value of Hashman Properties to be issued and outstanding at the effective time of the amalgamation;

shall all be converted share for share into an equal number of issued and fully paid shares without nominal or par value of the amalgamated company.

7. After the issue of letters patent of amalgamation confirming this amalgamation agreement, the shareholders of Great West Saddlery Company and Hashman Properties shall surrender the certificates representing shares held by them in Great West Saddlery Company and Hashman Properties when requested by the amalgamated company, and in return shall be entitled to receive certificates for shares of the amalgamated company on the basis aforesaid.

8. The head office of the amalgamated company will be located in the Municipality of Metropolitan Toronto in the Province of Ontario and its chief executive offices will be located in the City of Montreal in the Province of Quebec.

9. The board of directors of the amalgamated company, until otherwise determined by the by-laws of the amalgamated company, shall consist of 11 members, and the first directors of the amalgamated company, with their names, occupations and postal addresses, shall be the following:

<u>Name</u>	<u>Occupation</u>	<u>Postal Address</u>
NEIL W. BAKER.....	Financial Executive.....	452 Hudson Street, Montreal West, Quebec
PAUL J. LOWENSTEIN.....	Financial Executive.....	4862 Jean Brillant Avenue, Montreal, Quebec
J. TREVOR EYTON.....	Solicitor.....	30 Ridge Drive, Toronto 7, Ontario
EDWARD M. BRONFMAN.....	Financial Executive.....	67 Forden Crescent, Westmount, Quebec.
PETER F. BRONFMAN.....	Financial Executive.....	5 Lansdowne Ridge, Westmount, Quebec
LEONARD B. SPILFOGEL.....	Financial Executive.....	5765 Cote St. Luc Road, Hampstead, Quebec
EDWARD S. MACLAINE.....	Computer Executive.....	123 Highgate Avenue, Pointe Claire, Quebec
ANDRÉ R. BRUNEAU.....	Real Estate Executive.....	2409 Carleton St., S.W., Calgary, Alberta
EDMUND SARDACHUK.....	Construction Executive.....	2928 University Place, Calgary, Alberta
GEORGE E. DUSKA.....	Real Estate Executive.....	32 Constable Road, N.W. Calgary, Alberta
R. GERALD NICHOLL.....	Chartered Accountant.....	32 Waterloo Dr., S.W., Calgary, Alberta

The first directors shall hold office until the first annual meeting of the amalgamated company, or until their successors are elected or appointed. The subsequent directors shall be elected each year thereafter at either a general meeting or the annual meeting of the shareholders by a majority of the votes cast at such meeting. The management and working of the amalgamated company shall be under the control of the board of directors from time to time subject to the provisions of the Canada Corporations Act and the by-laws of the amalgamated company.

10. Each of Great West Saddlery Company and Hashman Properties shall contribute to the amalgamated company all its assets, subject to all its liabilities, as they exist at the effective time of the amalgamation.

11. The amalgamated company shall possess all the property, rights, assets, privileges and franchises, and shall be subject to all the contracts, liabilities, debts and obligations of Great West Saddlery Company and Hashman Properties.

12. All rights of creditors against the property, rights, assets, privileges and franchises of Great West Saddlery Company and Hashman Properties and all liens upon such property, rights, and assets shall be unimpaired by the amalgamation, and all debts, contracts and liabilities and duties of Great West Saddlery Company and Hashman Properties shall thenceforth attach to the amalgamated company and may be enforced against it.

13. No action or proceeding by or against Great West Saddlery Company or Hashman Properties shall abate or be affected by the amalgamation, but for all purposes of such action or proceeding the name of the amalgamated company shall be substituted in such action or proceeding in place of Great West Saddlery Company and Hashman Properties as the case may be.

14. To the extent not inconsistent with this amalgamation agreement, the by-laws of Hashman Properties shall be the by-laws of the amalgamated company until repealed, amended, altered or added to in accordance with the Canada Corporations Act and such by-laws.

15. Upon the shareholders of Great West Saddlery Company and Hashman Properties respectively adopting this amalgamation agreement, such fact shall be certified thereon by the Secretary of each of such companies under their respective corporate seals, and such companies by their joint application shall within six months from the final vote of the shareholders apply to the Minister of Consumer and Corporate Affairs for letters patent of amalgamation confirming this amalgamation agreement unless an order is made under subsection 7 of Section 128A of the Canada Corporations Act annulling this amalgamation agreement.

16. Great West Saddlery Company and Hashman Properties may, by resolution of their respective boards of directors, assent to any alteration or modification of this amalgamation agreement which the shareholders of each of such companies at meetings called to consider the same or the Minister of Consumer and Corporate Affairs may approve, and the expression "amalgamation agreement" as used herein shall be read and construed to mean and include this amalgamation agreement as so altered or modified.

17. This amalgamation agreement may be terminated without cause or reason by the board of directors of Great West Saddlery Company notwithstanding approval by its shareholders, at any time prior to the issue of letters patent of amalgamation confirming this amalgamation agreement.

IN WITNESS WHEREOF this amalgamation agreement has been duly executed by the parties hereto under their respective corporate seals as witnessed by the signature of their proper officers authorized in that behalf.

THE GREAT WEST SADDLERY
COMPANY LIMITED

by:.....

c/s

by:.....

HASHMAN PROPERTIES LIMITED

by:.....

c/s

by:.....

EXHIBIT "B"

THE GREAT WEST SADDLERY COMPANY LIMITED

By-law C

being a by-law decreasing the capital of The Great West Saddlery Company Limited ("Great West Saddlery Company") and authorizing an application for supplementary letters patent.

WHEREAS the authorized capital of Great West Saddlery Company consists of 4,000,000 shares without nominal or par value, of which 2,548,451 are issued and outstanding as fully paid for which Great West Saddlery Company has received a consideration of \$5,980,926; and

WHEREAS the capital of Great West Saddlery Company is impaired to the extent of \$1,839,372 (including \$200,000 for the expenses of the amalgamation hereinafter mentioned) as a result of the accumulated deficit and is not represented by available assets; and

WHEREAS the capital of Great West Saddlery Company includes \$2,928,076 attributable to the excess cost of acquiring Aquila Computer Services Limited over the value of its net assets which is not represented by available assets; and

WHEREAS Great West Saddlery Company proposes to amalgamate with Hashman Properties Limited; and

WHEREAS preliminary to the amalgamation it is considered desirable to decrease the paid up capital of Great West Saddlery Company by \$4,767,448 so as to permit the elimination from the accounts of Great West Saddlery Company of the accumulated deficit and the excess cost of acquiring Aquila Computer Services Limited over the value of its net assets; and

WHEREAS it is deemed necessary and expedient in the interest of Great West Saddlery Company to obtain supplementary letters patent confirming this by-law decreasing the paid-up capital of Great West Saddlery Company as herein provided:

NOW THEREFORE BE IT ENACTED as By-law C of Great West Saddlery Company that:

1. Subject to confirmation by supplementary letters patent, the paid-up capital of Great West Saddlery Company be decreased from the amount of \$5,980,926 to the amount of \$1,213,478 by the cancellation of the amount of \$4,767,448, which amount is lost or not represented by available assets; and
2. Great West Saddlery Company be and is hereby authorized to make application to the Minister of Consumer and Corporate Affairs for supplementary letters patent confirming this by-law; and
3. The directors and officers be and are hereby authorized and directed to do, sign and execute all things, deeds and documents, necessary or desirable for the due carrying out of the foregoing.

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY
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CHICAGO, ILLINOIS 60607-7070

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